

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

WS-03953A
Bachmann Springs Utility Company
PO Box 9
Tombstone, AZ 85638

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

3-11-08

SCANNED

RECEIVED
MAR 11 2008
ARIZONA CORPORATION
UTILITIES DIVISION

COMPANY INFORMATION

Company Name (Business Name) <u>Bachmann Springs Utility Co., Inc.</u>		
Mailing Address <u>P.O. Box 9, 601 E. Fremont St.</u>		
<u>Tombstone</u> (City)	<u>Arizona</u> (State)	<u>85638</u> (Zip)
<u>520-457-3100</u> Telephone No. (Include Area Code)	<u>520-457-3004</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address _____		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>J. Jay Boland</u>		<u>President</u>
<u></u> (Name)	<u></u> (Title)	
<u>P.O. Box 9, 601 E. Fremont St.</u> (Street)	<u>Tombstone Arizona</u> (City)	<u>85638</u> (State) (Zip)
<u>520-457-3100</u> Telephone No. (Include Area Code)	<u>520-457-3004</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address <u>jboland@bachmannsprings.com</u>		
On Site Manager: _____		
<u></u> (Name)		
<u></u> (Street)	<u></u> (City)	<u></u> (State) (Zip)
<u></u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address _____		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Richard L. Sallquist

(Name)

4500 S. Lakeshore Dr., Ste. 339 Tempe Arizona 85282

(Street)

(City)

(State)

(Zip)

480-839-5202

480-345-0412

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Richard L. Sallquist

(Name)

4500 S. Lakeshore Dr., Ste. 339 Tempe Arizona 85282

(Street)

(City)

(State)

(Zip)

480-839-5202

480-345-0412

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Bachmann Springs Utility Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	13,020.44		13,020.44
302	Franchises			
303	Land and Land Rights	200.00		200.00
304	Structures and Improvements			
307	Wells and Springs	700,933.87	35,046.91	655,886.93
311	Pumping Equipment	40,753.16	7,661.59	33,091.57
320	Water Treatment Equipment	13,914.17	236.54	13,677.63
330	Distribution Reservoirs and Standpipes	526.37	20.00	506.37
331	Transmission and Distribution Mains			
333	Services	13,456.75	672.83	12,783.92
334	Meters and Meter Installations	287.50	12.07	275.43
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	76,155.84	5,864.00	70,291.84
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,236.20	335.43	1,900.77
	TOTALS	861,484.30	49,849.40	811,634.90

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Bachmann Springs Utility Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	13,020.44	0	0
302	Franchises			
303	Land and Land Rights	200.00	0	0
304	Structures and Improvements			
307	Wells and Springs	700,933.87	.0333	23,341.10
311	Pumping Equipment	40,753.16	.125	5,094.15
320	Water Treatment Equipment	13,914.17	.0333	463.34
330	Distribution Reservoirs and Standpipes	526.37	.25	13.16
331	Transmission and Distribution Mains			
333	Services	13,456.75	.0333	448.11
334	Meters and Meter Installations	287.50	.033	23.95
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	76,155.84	.0667	5,079.60
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,236.20	.1	223.62
	TOTALS	861,484.30		34,687.03

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME Bachmann Springs Utility Co., Inc.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,885.25	\$ 267.21
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	393.38	157.06
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,278.63	\$ 424.27
	FIXED ASSETS		
101	Utility Plant in Service	\$ 915,397.30	\$ 915,397.30
103	Property Held for Future Use		
105	Construction Work in Progress	103,307.75	103,307.75
108	Accumulated Depreciation – Utility Plant	(53,913.30)	(53,913.30)
121	Non-Utility Property	47,366.17	49,869.95
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,012,157.92	\$ 1,014,661.70
	TOTAL ASSETS	\$ 1,014,436.55	\$ 1,015,085.97

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 119.64	\$ 0
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	522.07	0
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 641.71	\$ 0
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 22,112.76	\$ 51,755.89
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 22,754.47	\$ 51,755.58
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,039,650.00	\$ 1,039,650.00
211	Paid in Capital in Excess of Par Value	13,725.86	13,725.86
215	Retained Earnings	(61,693.78)	(90,045.47)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 991,682.08	\$ 963,330.39
	TOTAL LIABILITIES AND CAPITAL	\$ 1,014,436.55	\$ 1,015,085.97

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 98,603.89	\$ 1,998.66
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 98,603.89	\$ 1,998.66
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$ 10,418.10
610	Purchased Water	16,468	
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	45	
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	89,733.53	32,854.13
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	16,468.49	
403	Depreciation Expense	37,582.65	34,687.03
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 160,297.67	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (61,693.78)	\$ (77,959.26)

COMPANY NAME Bachmann Springs Utility Co., Inc.
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME	Bachmann Springs Utility Co., Inc.
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
	See attached supplement following page					

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
		0

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		119 gal. (well #10)	1
		Well #6	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

Supplement to Arizona Corporation Commission - Utilities Division
Annual Report for 2007
Supplement to Page 10

NAME OF COMPANY:	Bachmann Springs Utility Company, Inc.
ADEQ Public Water System Number:	Applied For

Water Company Plant Description

Wells

ADWR ID Number	Pump Horsepower	Pump Yield (GPM)	Casing Depth (feet)	Casing Size (inches)	Meter Size	Year Drilled
55-569050	0	0	1,060	6	0	98/99
55-569092	0	0	945	6	0	98/99
55-569016	0	500	880	12.75	0	99
55-569015	0	0	910	8.58	0	99
55-569014	0	400	930	8.58	0	99
55-569064	60	Not Known	1,020	8	1.5	99
55-574383	0	50	730	8	0	99
55-569035	0	0	600	6	0	99
55-575081	0	230	750	6	0	99
55-575082	30	800	840	16	0	99
55-575084	0	0	730	6	0	99
55-576793	0	0	820	8	0	99
55-575083	0	0	850	6	0	99

COMPANY NAME	Bachmann Springs Utility Co., Inc.
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	None	
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Chlorinator Well #6

STRUCTURES: None

OTHER: None

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Bachmann Springs Utility Co., Inc.

Name of System:

ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1	1.6	1.6	
FEBRUARY	1	2.1	2.1	
MARCH	1	1.4	1.4	
APRIL	1	1.3	1.3	
MAY	1	1.4	1.4	
JUNE	1	4.1	4.1	
JULY	1	1.4	1.4	
AUGUST	1	3.4	3.4	
SEPTEMBER	1	3.1	3.1	
OCTOBER	1	2.5	2.5	
NOVEMBER	1	2.0	2.0	
DECEMBER	1	1.4	1.4	
TOTALS →		25.7	25.7	0

What is the level of arsenic for each well on your system? _____mg/l

(If more than one well, please list each separately.)

See attached - following page

If system has fire hydrants, what is the fire flow requirement? N/A GPM for _____hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(x) Yes

() No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(x) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Supplement to Arizona Corporation Commission - Utilities Division
Annual Report for 2007
Supplement to Page 12

NAME OF COMPANY:	Bachmann Springs Utility Company, Inc.
ADEQ Public Water System Number:	Applied For

Arsenic Level Per Well

ADWR ID Number	mg/l
55-569050	Not Tested
55-569092	Not Tested
55-569016	0.0050
55-569015	Not Tested
55-569014	0.0050
55-569064	0.0050
55-574383	Not Tested
55-569035	Not Tested
55-575081	0.0050
55-575082	0.0050
55-575084	Not Tested
55-576793	Not Tested
55-575083	Not Tested

COMPANY NAME Bachmann Springs Utility Co., Inc. YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. All property is owed by the parent company,
Bachmann Springs Holdings, LLC. All property taxes are paid
by the parent, and no allocation is made to Bachmann Springs
Utility Co., Inc.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
MAR 11 2008
TAXP COMMISSION
TULSA, OKLAHOMA

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Cochise
NAME (OWNER OR OFFICIAL) TITLE
J. Jay Boland- President
COMPANY NAME
Bachmann Springs Utility Co., Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


J. Jay Boland, President
SIGNATURE OF OWNER OR OFFICIAL

520-457-3100

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 8th DAY OF March
 **LAURIE L. LAMB**
NOTARY PUBLIC - ARIZONA
COCHISE COUNTY
(RE) Commission Expires
August 25, 2011

COUNTY NAME
Cochise
MONTH
March
YEAR
2008

Laurie L. Lamb
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8-25-2011

COMPANY NAME Bachmann Springs Utility Co., Inc. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

APPA Prand
SIGNATURE

5 March / 08
DATE

J JAY BOLAND
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 11 2008

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>J. Jay Boland - President</u>
COMPANY NAME
<u>Bachmann Springs Utility Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,998.86

(THE AMOUNT IN BOX ABOVE

INCLUDES \$145.00

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

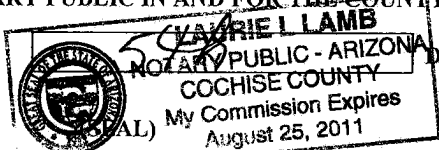
J. Jay Boland, President
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME		
<u>Cochise</u>		
MONTH	<u>March</u>	<u>2008</u>

Valerie L. Lamb
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8-25-2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED
MAR 21 2008
CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise	
NAME (OWNER OR OFFICIAL) J. Jay Boland	TITLE President
COMPANY NAME Bachmann Springs Utility Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$1,998.66

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **145.00**
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

J. Jay Boland, President
SIGNATURE OF OWNER OR OFFICIAL

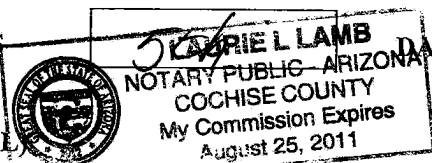
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 **DAY OF**

(SEAL)



MY COMMISSION EXPIRES 8-25-2011

NOTARY PUBLIC NAME LAURIE L. LAMB	
COUNTY NAME Cochise	
MONTH March	YEAR 2008

Laurie L. Lamb
SIGNATURE OF NOTARY PUBLIC